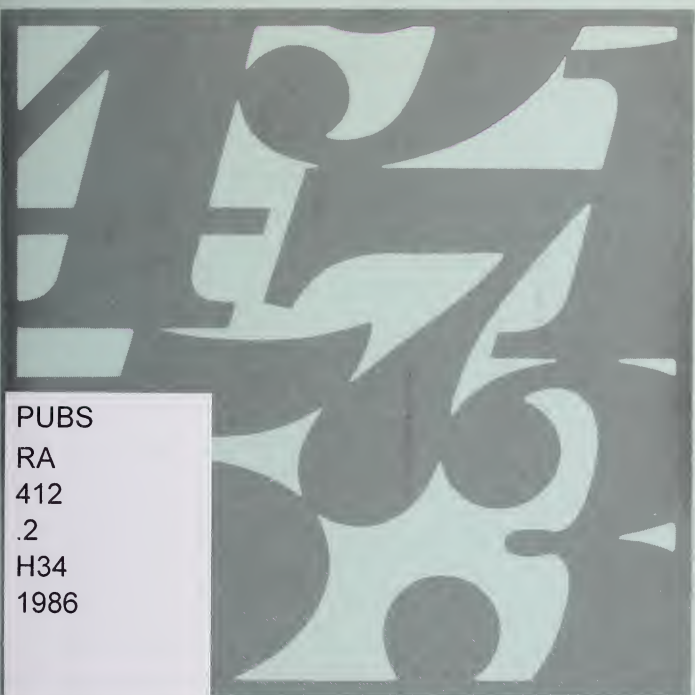




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Health Care Financing Administration
Bureau of Data Management and Strategy
September 1986

**U.S. DEPARTMENT OF HEALTH AND
HUMAN SERVICES**

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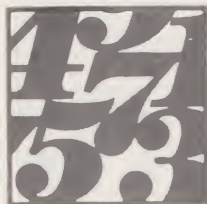
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Preface

Since the Medicare and Medicaid programs began, health care expenditures have grown faster than the rest of the economy. Medicare and Medicaid have grown even faster than health expenditures in general. This reference booklet provides significant summary information about health expenditures and Health Care Financing Administration (HCFA) programs.



The data are organized as follows:

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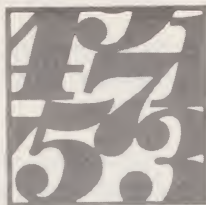
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Highlights



Growth in HCFA programs and health expenditures

Populations

- Persons enrolled for Medicare coverage increased from 19.5 million in 1967 to about 32 million in 1986, a 63-percent increase.

In 1967, Medicare enrollees represented 9.7 percent of the U.S. resident population; in 1986, they represented 12.9 percent.

- Medicaid recipients (data on eligibles are not available) increased from about 10 million in calendar year 1967 to 23 million in fiscal year 1986, an increase of 130 percent.

Data for 1986 indicate that 8.8 percent of the U.S. resident population received Medicaid services.

Providers/Suppliers

- The number of short-stay hospitals has generally been dropping. There were 6,198 certified to participate in the Medicare program in January 1968 compared with 5,991 in January 1986. The number of certified beds, however, generally increased during this period, from 772,000 to 1,024,000 in 1986.
- At the beginning of 1986, 5,685 or 85 percent of all hospitals were covered by the prospective payment system.
- Skilled nursing facilities increased steadily from 4,405 in January 1968 to 6,725 in January 1986, a 53-percent increase.
- The number of home health agencies increased 214 percent from 1,890 in January 1968 to 5,932 in January 1986.
- Independent laboratories increased 71 percent from 2,355 in January 1968 to 4,029 in January 1986.

Expenditures

- National health expenditures were \$51 billion in 1967, 6.4 percent of the gross national product (GNP). In 1986 expenditures are expected to reach \$454 billion, 10.8 percent of GNP.
- Public expenditures on health amounted to \$19 billion in 1967, 37 percent of total health expenditures. In 1986, public health expenditures are expected to reach \$187 billion, 41 percent of total health expenditures.
- Federal health expenditures increased from 23 percent of all health expenditures in 1967 (\$12 billion) to 29 percent in 1986 (\$132 billion).

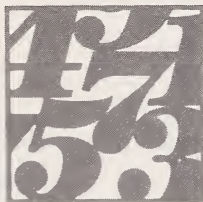
- National health expenditures per person increased from \$248 in 1967 to \$1,820 in 1986.
- National health expenditures are projected to reach \$640 billion in 1990, with the Federal share being \$193 billion.

Utilization of Medicare and Medicaid Services

- About 40 million persons will receive services paid for by Medicare or Medicaid in fiscal year 1986.
- One out of four, or about 10 million of these persons, will use inpatient hospital services covered by Medicare or Medicaid.
- Four out of five, or about 32 million of these persons, will receive reimbursable physician services under Medicare or Medicaid this year.
- About 20 million persons will receive reimbursable outpatient hospital services under Medicare or Medicaid this year.
- About 800,000 persons will receive care covered by Medicare or Medicaid in skilled nursing facilities this year.
- About 1 million persons will receive care in intermediate care facilities covered by Medicaid this year.
- About 2 million persons will receive reimbursable home health agencies visits under Medicare or Medicaid this year.
- About 14 million persons will receive drug prescriptions under Medicaid this year.



Populations



Information about persons covered by Medicare and Medicaid

For Medicare, statistics are based on persons enrolled for coverage. For Medicaid, recipient counts are used as a surrogate of persons eligible for coverage, as well as for persons utilizing services. Statistics are available by major program categories, by demographic and geographic variables, and as proportions of the U.S. population. Utilization data organized by persons served may be found in the Utilization section.

MEDICARE ENROLLMENT/TRENDS

	Total Persons	Aged Persons	Disabled Persons
	(in millions)		
July			
1966	19.1	19.1	—
1970	20.5	20.5	—
1975	25.0	22.8	2.2
1980	28.5	25.5	3.0
1982	29.5	26.5	3.0
1983	30.0	27.1	2.9
1984	30.5	27.6	2.9
1985	31.1	28.2	2.9
1986 ¹	31.7	28.8	2.9
1987 ¹	32.4	29.4	3.0

¹Estimated.

MEDICARE ENROLLMENT/COVERAGE

	HI and/or SMI ¹	HI	SMI
	(in millions)		
All persons	31.1	30.6	30.0
Aged Persons	28.2	27.7	27.3
Disabled Persons	2.9	2.9	2.7

(July 1985)

¹Hospital insurance (HI); supplementary medical insurance (SMI).

MEDICARE ENROLLMENT/DEMOGRAPHICS

	Total	Male	Female
	(in thousands)		
All Persons	31,083	13,128	17,955
Aged Persons	28,176	11,282	16,894
65-74	16,398	7,174	9,224
75-84	8,916	3,299	5,617
85 and Over	2,861	809	2,053
Disabled Persons	2,907	1,846	1,061
Under 45	843	553	290
45-54	593	387	206
55-64	1,471	906	565
White	27,081	11,391	15,691
Other Races	3,098	1,374	1,724
Unknown	904	364	540

(July 1985)

MEDICARE ENROLLMENT/REGION

	July 1, 1985		Enrollees as Percent of Population
	Resident Population	Medicare Enrollees	
	(in thousands)		
All Regions	242,447	130,839	12.7
Boston	12,661	1,772	14.0
New York	28,745	3,847	13.4
Philadelphia	25,135	3,381	13.5
Atlanta	42,066	5,806	13.8
Chicago	45,834	5,887	12.8
Dallas	27,961	3,012	10.8
Kansas City	11,969	1,741	14.5
Denver	7,604	787	10.3
San Francisco	31,850	3,540	11.1
Seattle	8,622	1,044	12.1

¹Includes enrollees with unknown State of residence, but excludes those living in foreign countries.

MEDICARE/HEALTH MAINTENANCE ORGANIZATIONS

	PRE-TEFRA HMO's ¹		POST-TEFRA HMO's ²	
	Plans	Enrollees	Plans	Enrollees
	(in thousands)		(in thousands)	
Total HMO's	108	464	184	815
TEFRA Risk	—	—	126	596
Old Risk	4	37	4	45
Cost Basis	65	117	46	153
Demonstrations	39	310	8	21

¹Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982; data as of March 1985.

²Data as of April 1986.

AGED POPULATION/PROJECTED

	1986	2000	2025	2050
	(in millions)			
65 and Over	29.5	35.9	61.5	71.0
75 and Over	12.2	17.5	26.4	39.0
85 and Over	3.0	4.9	7.4	16.2

LIFE EXPECTANCY AT AGE 65/TRENDS

	Male	Female
	(in years)	
1965	12.9	16.3
1980	14.0	18.4
1983	14.3	18.7
1984	14.4	18.6
1985	14.4	18.8
1986	14.5	18.9

ELDERLY LIVING BELOW POVERTY LEVEL/TRENDS

Year	Persons	Percent
	(in millions)	
1966	5.1	28.5
1970	4.7	24.5
1978	3.2	14.0
1980	3.9	15.7
1981	3.9	15.3
1982	3.8	14.6
1983	3.6	13.8
1984	3.3	12.4

NOTE: Income estimates for 1983 and 1984 were based on improved measurement of interest income.

MEDICAID RECIPIENTS/TRENDS

	1975	1980	1985 ¹	1986 ¹	1987 ¹
	(in millions)				
Total	22.0	21.6	22.2	22.9	23.6
Aged	3.6	3.4	3.3	3.4	3.5
Blind/ Disabled	2.4	2.8	3.1	3.2	3.3
Children Under					
Age 21 and Other	11.4	10.8	11.1	11.5	11.9
AFDC-Adults ²	4.6	4.6	5.8	5.9	6.0

(Fiscal year data)

¹Estimated.

²Aid to Families with Dependent Children (AFDC).

MEDICAID RECIPIENTS/STATE BUY-INS FOR MEDICARE

	1975	1980	1984	1985
	(number in thousands)			
All Buy-Ins ¹	2,846	2,954	2,601	2,670
Aged	2,483	2,449	2,127	2,164
Disabled	363	504	474	505
	(percent of total SMI enrollees)			
All Buy-Ins	12.0	10.9	8.9	9.0
Aged	11.4	10.0	8.0	8.0
Disabled	18.7	18.9	18.2	19.2

¹Recipients for whom the State paid Medicare supplementary medical insurance (SMI) premium for month of July.

MEDICAID RECIPIENTS/DEMOGRAPHICS

	Fiscal Year 1984
All Recipients (millions)	21.6
Age—50 Reporting Jurisdictions (millions)	21.5
Under 6	20.7%
6-20	29.1%
21-64	33.4%
65 and over	16.8%
Sex—49 Reporting Jurisdictions (millions)	21.6
Male	36.3%
Female	63.7%
Race—43 Reporting Jurisdictions (millions)	18.6
White	51.3%
Other	48.7%

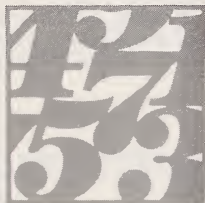
MEDICAID RECIPIENTS/REGION

	Fiscal Year 1984 Medicaid Recipients in thousands
All Regions	21,557
Boston	1,034
New York	4,424
Philadelphia	2,022
Atlanta	3,016
Chicago	4,319
Dallas	1,626
Kansas City	790
Denver	353
San Francisco	3,518
Seattle	455

II

Providers /Suppliers

Information about institutions, agencies, or professionals who provide health care services and individuals or organizations who furnish health care equipment or supplies



These data are distributed by major provider/supplier categories, geographic region, and type of program participation. Utilization data organized by type of provider/supplier may be found in the Utilization section.

INPATIENT HOSPITALS/TRENDS

	1975	1980	1986
Total Hospitals	6,707	6,780	6,710
Beds (thousands)	1,132	1,152	1,145
Beds per 1,000 Enrollees	51.5	46.9	41.7
Short-Stay	6,084	6,111	5,991
Beds (thousands)	884	988	1,024
Beds per 1,000 Enrollees	40.2	40.2	37.3
Psychiatric	358	408	501
Beds (thousands)	207	136	98
Beds per 1,000 Enrollees	9.4	5.5	3.6
Other Long-Stay	265	261	218
Beds (thousands)	42	29	23
Beds per 1,000 Enrollees	1.9	1.2	0.8

(Data as of January 1; rates based on number of aged HI enrollees, July 1.)

Facilities certified for Medicare are deemed to meet Medicaid standards.

INPATIENT HOSPITALS/REGION

	Short- Stay Hospitals	Beds per 1,000 Enrollees	Long- Stay Facilities	Beds per 1,000 Enrollees
All Regions	5,991	37.3	719	4.4
Boston	259	31.6	71	9.2
New York	423	34.1	82	9.1
Philadelphia	482	36.3	96	5.5
Atlanta	1,102	38.3	126	3.1
Chicago	1,085	40.0	107	2.5
Dallas	912	44.5	79	3.3
Kansas City	525	39.9	44	3.4
Denver	330	40.1	31	5.6
San Francisco	615	33.0	64	2.3
Seattle	258	29.3	19	4.2

(January 1986 data; rates based on number of aged HI enrollees, July 1, 1985.)

HOSPITALS/STATUS UNDER THE PROSPECTIVE PAYMENT SYSTEM

Total Hospitals	6,710
Hospitals Under PPS	5,685
Exempted Hospitals	
Psychiatric	491
Rehabilitation	72
Alcohol/ Drug	27
Other Long-Term Care	92
Children's	56
Christian Science Sanitoria	22
Short-Stay Hospitals in Waiver States	189
Short-Stay Hospitals in Outlying Areas	59

(January 1986)

NOTE: Detail does not sum to total because data on the PPS status for a small number of hospitals are unavailable.

LONG-TERM FACILITIES/REGION

	Title XVIII and XVIII/XIX Skilled Nursing Facilities	Title XIX — Only Skilled Nursing Facilities	Intermediate Care Facilities	Institutions for Mentally Retarded
All Regions	6,725	2,246	6,883	3,052
Boston	418	214	526	281
New York	714	93	232	629
Philadelphia	788	61	581	178
Atlanta	1,093	390	453	206
Chicago	1,509	679	2,090	1,086
Dallas	257	268	1,543	345
Kansas City	293	94	1,044	64
Denver	289	144	153	59
San Francisco	1,116	168	111	136
Seattle	248	135	150	68

(January 1986)

OTHER MEDICARE PROVIDERS AND SUPPLIERS/TRENDS

	1975	1980	1986
Home Health Agencies	2,254	2,858	5,932
Independent Laboratories	2,994	3,448	4,029
End Stage Renal Disease Facilities	—	975	1,463
Outpatient Physical Therapy	115	386	893
Portable X-Ray	131	210	334
Rural Health Clinics	—	359	424
Comprehensive Outpatient Rehabilitation Facilities	—	—	87
Ambulatory Surgical Centers	—	—	512
Hospice	—	—	227

(January 1986)

SELECTED FACILITIES/TYPE OF CONTROL

	Short- Stay Hospital	Skilled Nursing Facilities	Home Health Agencies
All Facilities	5,991	6,725	5,932
	(percent of total)		
Nonprofit	55.5	22.9	37.9
Proprietary	13.6	69.3	35.2
Government	31.0	7.8	26.9

(January 1986. Facilities certified for Medicare are deemed to meet Medicaid standards.)

PERIODIC INTERIM PAYMENT (PIP) FACILITIES/TRENDS

	1975	1980	1984	1985
Hospitals				
Number of PIP	1,524	2,276	3,201	3,268
Percent of Total Participating	22.5	33.8	48.0	48.7
Skilled Nursing Facilities				
Number of PIP	161	203	243	223
Percent of Total Participating	4.1	3.9	4.1	3.5
Home Health Agencies				
Number of PIP	86	481	785	927
Percent of Total Participating	3.8	16.0	16.6	16.3

PHYSICIANS/TRENDS

	1970		1983	
	Number	Percent	Number	Percent
Non-Federal Physicians				
Active in Patient Care	255,027	100.0	408,075	100.0
Medical Specialties	60,968	23.9	122,527	30.0
Surgical Specialties	75,991	29.8	114,376	28.0
Other Specialties	63,970	25.1	110,992	27.2
General Practice	54,098	21.2	60,180	14.7

PHYSICIANS/REGION

	Non-Federal Physicians Active in Patient Care	Physicians Per 100,000 Population
All Regions	408,075	172
Boston	27,177	218
New York	61,631	216
Philadelphia	47,583	191
Atlanta	58,395	143
Chicago	73,366	161
Dallas	37,612	138
Kansas City	16,917	142
Denver	11,189	150
San Francisco	60,860	200
Seattle	13,345	158

(Physicians as of December 1983; resident population as of July 1983.)

MEDICARE ASSIGNED CLAIMS/REGION

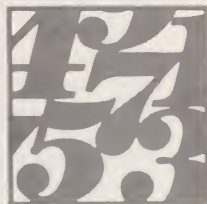
	1980 Net Assignment Rates	1985 Net Assignment Rates
All Regions	51.5	68.5
Boston	67.4	81.1
New York	51.8	71.3
Philadelphia	61.6	81.8
Atlanta	52.3	66.2
Chicago	47.6	65.8
Dallas	50.3	62.5
Kansas City	40.4	57.7
Denver	39.5	53.2
San Francisco	53.2	71.0
Seattle	31.3	46.5

(Calendar year data)

III

Expenditures

Information about spending for health care services by Medicare, Medicaid, and in the Nation as a whole



Health care spending at the aggregate levels is distributed by source of funds, types of service, geographic area, and broad beneficiary or eligibility categories. Direct out-of-pocket, other private, and non-HCFA-related expenditures are also covered in this section. Expenditures on a per-unit-of-service level are covered in the Utilization section.

HCFA AND TOTAL FEDERAL DISBURSEMENTS

	Fiscal Year 1985
	(in billions)
Total Federal Budget ¹	\$946.3
Department of Health and Human Services ¹	315.6
(Percent of Federal Budget)	(33.4)
HCFA Budget	
Medicare Benefit Payments	69.5
Medicaid Medical Assistance Payments	21.4
HCFA Program Management	1.2
State and Local Administration Training	1.3
Other Administrative Expenses	0.6
Peer Review Organizations	0.1
Total (unadjusted)	94.1
Offsetting and Proprietary Receipts	-5.5
Total Net of Offsetting and Proprietary Receipts ¹	88.6
(Percent of Federal Budget)	(9.4)

¹Does not include off-budget entities, net of offsetting receipts.

PROGRAM BENEFIT PAYMENTS/TRENDS

	Total	Medicare	Medicaid ¹
	(in billions)		
Calendar Year			
1966	\$ 2.5	\$ 1.0	\$ 1.5
1970	12.3	7.1	5.2
1980	60.9	35.7	25.2
1982	82.4	51.1	31.3
1983	91.4	57.4	34.0
1984	99.8	63.1	36.7
1986 ²	118.5	75.7	42.8

¹Total medical assistance payments, Federal and State expenditures combined.

²Projected.

PROGRAM BENEFIT PAYMENTS/REGION

	Medicare ¹	Medicaid	
		Computable ²	Net Adjusted ³
		(in millions)	
All Regions	⁴ \$69,619	\$39,458	\$21,689
Boston	4,216	2,836	1,524
New York	8,982	9,886	4,919
Philadelphia	8,072	3,084	1,701
Atlanta	11,682	4,671	3,193
Chicago	13,519	8,012	4,301
Dallas	6,622	3,209	1,939
Kansas City	3,621	1,347	772
Denver	1,541	805	479
San Francisco	9,383	4,589	2,316
Seattle	1,981	1,019	544

(Fiscal year 1985)

¹Distribution by region is estimated.

²Total medical assistance payments computable for Federal funding.

³Net adjusted Federal share.

⁴Excludes residence unknown (\$13 million) and residents of foreign countries (\$17 million).

MEDICARE/TRUST FUND PROJECTIONS

	Fiscal Year		
	1985	1986	1987
	(in billions)		
HI Benefit Payments ¹	\$47.8	\$48.6	\$52.5
Aged	42.4	43.0	46.6
Disabled	5.4	5.6	5.8
SMI Benefit Payments ¹	21.8	25.8	29.2
Aged	18.6	22.1	25.0
Disabled	3.2	3.6	4.2

¹1986 Annual Reports of the Board of Trustees of the Federal Hospital Insurance (HI) Trust Fund and Supplementary Medical Insurance (SMI) Trust Fund.

MEDICARE/TYPE OF BENEFIT

	Fiscal Year 1985 Benefit Payments in Millions	Percent Distribution
Total HI ¹	\$47.841	100.0
Inpatient Hospital	44.979	94.0
Skilled Nursing Facility	590	1.2
Home Health Agency	2.257	4.7
Hospice	15	0.0
Total SMI ¹	21.808	100.0
Physician Other Suppliers	15.900	72.9
Radiology and Pathology	552	2.5
Outpatient Hospital	4.002	18.4
Home Health Agency	33	0.2
Group Practice Prepayment	663	3.0
Independent Laboratory	658	3.0

¹Hospital insurance (HI); supplementary medical insurance (SMI).

MEDICAID/BASIS OF ELIGIBILITY

	Fiscal Year 1984 Vendor Payments in Millions	Percent Distribution
Total	\$33.891	100.0
Aged	12.815	37.8
Blind/Disabled	11.977	35.3
Children Under Age 21	3.979	11.7
AFDC-Adults ¹	4.420	13.0
Other Title XIX	700	2.1

¹Aid to Families with Dependent Children (AFDC).

MEDICAID/TYPE OF SERVICE

	Fiscal Year	
	1983	1984
	(in billions)	
Total Vendor Payments	\$32.4	\$33.9
	(percent of total)	
Inpatient Services	30.1	29.2
General Hospitals	27.2	26.1
Mental Hospitals	2.9	3.1
ICF Services ¹	29.2	29.7
Mentally Retarded	12.6	12.6
All Other	16.6	17.2
Skilled Nursing Facility Services	14.3	14.2
Physician Services	6.7	6.6
Prescribed Drugs	5.5	5.8
Outpatient Hospital Services	4.9	4.9
Dental Services	1.4	1.4
Home Health Services	1.8	2.3
Clinic Services	1.5	1.7
Other Practitioner Services	0.7	0.7
Laboratory and Radiological Services	0.6	0.6
Family Planning Services	0.5	0.5
Other Care	2.9	2.5

¹Intermediate care facility (ICF).

NATIONAL HEALTH CARE/TRENDS

	Calendar Year		
	1965	1980	1984
National Total (billions)	\$41.9	\$247.5	\$387.4
Percent of GNP ¹	6.1	9.4	10.6
Per Capita Amount	\$ 207	\$1,049	\$1,580
Source of Funds	(percent of total)		
Private	73.8	57.4	58.6
Public	26.2	42.6	41.4
Federal	13.2	28.7	28.9
State/Local	13.0	13.9	12.5

¹Gross national product (GNP).

NATIONAL HEALTH CARE/PROJECTIONS

	Calendar Year		
	1986	1988	1990
National Total (billions)	\$454.2	\$539.9	\$639.6
Percent of GNP ¹	10.8	10.9	11.3
Per Capita Amount	\$1,820	\$2,126	\$2,476
Source of Funds	(percent of total)		
Private	58.8	58.5	58.2
Public	41.2	41.5	41.8
Federal	29.1	29.6	30.2
State/Local	12.2	11.9	11.5

¹Gross national product (GNP).

NATIONAL HEALTH CARE/TYPE OF EXPENDITURE

	National Total in Billions	Per Capita Amount	Percent Paid		
			Total	Medicare	Medicaid
Total	\$454.2	\$1,820	27.0	17.1	9.9
Health Services and Supplies	437.2	1,751	28.1	17.7	10.3
Personal Health Care	402.9	1,614	29.4	18.8	10.6
Hospital Care	180.8	724	37.3	28.7	8.6
Physicians' Services	90.5	362	24.5	20.6	3.9
Nursing Home Care	38.9	156	43.9	1.7	42.2
Other Personal Care	92.8	372	12.8	4.8	8.0
Other Services and Supplies	34.3	137	12.1	5.4	6.7
Research/Construction	17.0	68	—	—	—

(Projected calendar year 1986)

PERSONAL HEALTH CARE/PAYMENT SOURCE

	Calendar Year		
	1970	1984	1986 ¹
	(in billions)		
Total	\$65.4	\$341.8	\$402.9
	(percent)		
Total	100.0	100.0	100.0
Private	65.6	60.4	60.6
Out-of-Pocket	40.5	27.9	28.0
Other Private	25.1	32.5	32.6
Public	34.4	39.6	39.4
Medicare	10.9	18.4	18.8
Medicaid	8.0	10.7	10.6
Other Public	15.5	10.4	10.0

¹Projected.

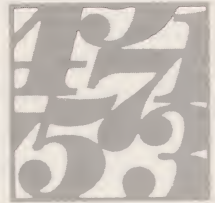
**PER CAPITA SPENDING AND SOURCES OF FUNDS FOR
PERSONAL HEALTH CARE EXPENDITURES FOR PERSONS
65 YEARS OF AGE OR OVER, 1977 AND 1984**

	Total	Hospital Care	Physicians' Services	Nursing Home Care	Other Care
Calendar Year 1977					
Total per Capita	\$1,785	\$ 777	\$ 320	\$ 440	\$ 248
	(percent of total)				
Private	36.1	12.3	42.7	50.7	76.2
Consumer	35.7	12.0	42.7	50.0	75.5
Out-of-Pocket	29.3	4.9	27.6	49.2	72.3
Insurance	6.4	7.1	15.1	0.8	3.2
Other	0.4	0.3	0.0	0.7	0.6
Government	63.9	87.7	57.3	49.3	23.8
Medicare	44.1	74.5	53.4	3.3	9.6
Medicaid	13.9	3.9	3.0	41.6	10.4
Other	5.9	9.3	0.9	4.4	3.8
Calendar Year 1984					
Total per Capita	\$4,202	\$1,900	\$ 868	\$ 880	\$ 554
	(percent of total)				
Private	32.8	11.4	39.7	51.9	65.3
Consumer	32.4	11.0	39.6	51.2	64.8
Out-of-Pocket	25.2	3.1	26.1	50.1	59.9
Insurance	7.2	7.9	13.5	1.1	4.9
Other	0.4	0.4	0.0	0.7	0.5
Government	67.2	88.6	60.3	48.1	34.7
Medicare	48.8	74.8	57.8	2.1	19.9
Medicaid	12.8	4.8	1.9	41.5	11.4
Other	5.6	9.1	0.7	4.4	3.4

IV

Utilization

Information about the use of health care services



Utilization information is organized by persons receiving services and alternately by services rendered. Measures of health care use include: persons served; units of service; (e.g., discharges, days of care, etc.); and dimensions of the services rendered; (e.g., average length of stay, charge per person or per unit of service). These utilization measures are aggregated by program coverage categories, provider characteristics, type of service, and demographic and geographic variables.

MEDICARE/SHORT-STAY HOSPITAL UTILIZATION

	Fiscal Year			
	1982	1983	1984	1985 ¹
Discharges				
Total (millions)	11.1	11.6	11.5	10.9
Rate per 1,000 Enrollees	382	392	383	356
Days of Care				
Total (millions)	114	116	105	93
Rate per 1,000 Enrollees	3,933	3,918	3,500	3,040
Average Length of Stay per Discharge	10.3	10.0	9.1	8.5
Total Charges				
Amount (billions)	\$ 46	\$ 55	\$ 56	\$ 56
Per Day	\$ 400	\$ 470	\$ 534	\$ 607

¹Estimated.

NOTE: Includes admissions and transfers to excluded units of PPS hospitals.

MEDICARE AVERAGE LENGTH OF STAY/TRENDS

	Fiscal Year		
	1983	1984	1985 ¹
All Short-Stay Hospitals	10.0	9.1	8.5
Non-waiver States	9.5	8.5	8.0
PPS Only	—	7.6	7.8
Waiver States	13.2	12.7	12.0

¹Preliminary.

MEDICARE/LONG-TERM CARE

	Total	Aged	Disabled
Skilled Nursing			
Covered Days (millions)	9.0	8.7	0.3
Rate per 1,000 Enrollees	301	322	101
Interim Reimbursement			
Total (millions)	\$ 470	\$ 454	\$ 16
Mean per Covered Day	\$ 52	\$ 52	\$ 54
Home Health			
Visits (millions)	40.9	37.9	3.1
Rate per 1,000 Enrollees	1,344	1,374	1,059
Charges			
Total (millions)	\$2,005	\$1,852	\$ 153
Visits (millions)	\$1,892	\$1,750	\$ 142
Mean per Visit	\$ 46	\$ 46	\$ 46
Interim Reimbursement (millions)	\$1,686	\$1,558	\$ 127

(Calendar year 1984)

MEDICARE PERSONS SERVED/TRENDS

	Calendar Year			
	1967	1975	1980	1983
Aged Persons Served				
per 1,000 Enrollees				
HI and/or SMI ¹	367	528	638	660
HI	203	221	240	251
SMI	365	536	652	672
Disabled Persons Served				
per 1,000 Enrollees				
HI and/or SMI ¹	—	450	594	629
HI	—	219	246	258
SMI	—	471	634	670

¹Hospital insurance (HI); supplementary medical insurance (SMI).

MEDICARE PERSONS SERVED/PROJECTIONS

	Fiscal Year				
	1985	1986	1987	1988	1990
Aged Persons Served per 1,000 Enrollees					
Hospital Insurance	240	230	230	230	240
Supplementary Medical Insurance	710	720	730	740	750
Disabled Persons Served per 1,000 Enrollees					
Hospital Insurance	260	250	250	250	260
Supplementary Medical Insurance	700	710	710	710	720

MEDICARE PERSONS SERVED/REGION

	Aged Persons Served in Thousands	Served per 1,000 Enrollees	Disabled Persons Served in Thousands	Served per 1,000 Enrollees
All Regions	17,892	666	1,834	632
Boston	1,142	719	93	673
New York	2,316	688	244	599
Philadelphia	1,994	680	214	649
Atlanta	3,222	655	391	622
Chicago	3,408	654	335	647
Dallas	1,646	627	164	571
Kansas City	972	614	80	601
Denver	450	643	35	609
San Francisco	2,130	703	228	711
Seattle	611	672	50	616

(Calendar year 1983 data: served under hospital insurance (HI) and or supplementary medical insurance (SMI)).

MEDICARE/END STAGE RENAL DISEASE

	Calendar Year	
	1983	1984
Total Enrollees ¹	89,427	97,780
Dialysis Patients ²	71,987	78,483
In-Center	58,342	63,245
Home	13,645	15,238
Transplants Performed ³	6,112	6,968
Living Donor	1,784	1,704
Cadaveric Donor	4,328	5,264
Average Dialysis Payment Rate		
Hospital-Based Facilities	\$135	\$131
Freestanding Facilities	\$133	\$127

¹Medicare ESRD enrollees as of July 1.

²Includes Medicare and non-Medicare patients receiving dialysis as of December 31.

³Includes kidney transplants for Medicare and non-Medicare patients.

MEDICAID/TYPE OF SERVICE

	Recipients in Thousands
Total	21,557
Inpatient Services	
General Hospitals	3,467
Mental Hospitals	35
Skilled Nursing Facility Services	559
Intermediate Care Facility Services	
Mentally Retarded	141
All Other	796
Physician Services	14,195
Dental Services	4,942
Other Practitioner Services	3,353
Outpatient Hospital Services	10,035
Clinic Services	2,037
Laboratory and Radiological Services	4,822
Home Health Services	438
Prescribed Drugs	13,935
Family Planning Services	1,577
Other Care	2,526

(Fiscal year 1984)

MEDICAID/UNITS OF SERVICE

	Number in Thousands
General Hospital	
Total Discharges	3,414
Recipients Discharged	2,263
Total Days of Care	23,185
Skilled Nursing Facility	
Total Recipients	516
Total Days of Care	111,384
Intermediate Care Facility (MR) ¹	
Total Recipients	137
Total Days of Care	46,310
Intermediate Care Facility (General)	
Total Recipients	769
Total Days of Care	202,158
Physician Visits	84,174
Rural Health Clinic Visits	220
Home Health Services Visits	9,278
Drug Prescriptions	181,061

(Based on reporting States in fiscal year 1984.)

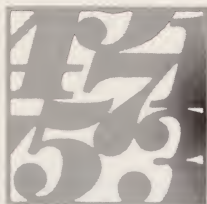
¹Mentally retarded.

MEDICAID/ABORTIONS

	Fiscal Year		
	1983	1984	1985
Total Number Reported	849	896	974
Annual Percent Change	--	5.5	-2.5
Total Expenditures (thousands)	\$709	\$666	\$805
Annual Percent Change	--	-6.1	20.9

Administrative /Operating

**Information on activities and services
related to oversight of the day-to-day
operations of HCFA programs**



Included are data on Medicare contractors, contractor activities and performance, HCFA and State Agency administrative costs, quality control, and summaries of the operation of the Medicare trust funds.

MEDICARE ADMINISTRATIVE EXPENSES/TRENDS

	Administrative Expenses	
	Amount in Millions	As a Percent of Benefit Payments
HI Trust Fund ¹		
1970	\$157	3.1
1975	266	2.4
1980	512	2.0
1983	540	1.4
1984	629	1.5
1985	834	1.8
SMI Trust Fund ¹		
1970	237	12.0
1975	462	10.8
1980	610	5.7
1983	878	4.8
1984	891	4.5
1985	933	4.1

(Calendar year data)

¹Hospital insurance (HI); supplementary medical insurance (SMI).

MEDICARE/CONTRACTS

	Part A Intermediaries	Part B Carriers	Part A and Part B
Blue Cross/Blue Shield	47	27	1
Other	7	9	—

(January 1986)

MEDICARE/CLAIMS PROCESSING COSTS

	Net Unit Cost Per Claim		
	1975	1980	1985
Part A Intermediaries	\$3.84	\$2.96	\$2.33
Part B Carriers	2.90	2.33	1.95

(Fiscal year data)

MEDICARE/CLAIMS PROCESSING

	Part A Intermediaries	Part B Carrier
Claims Processed (millions)	58.8	265.9
Total Costs (millions)	\$336.3	\$599.2
Claims Processing Costs (millions)	\$137.0	\$499.9
Claims Processing Unit Costs	\$ 2.33	\$ 1.88
Range:		
High	\$ 3.50	\$ 2.74
Low	\$ 1.53	\$ 1.47
Average Processing Time (days)	11.1	14.9

(Fiscal year 1985)

MEDICARE/CLAIMS RECEIVED

	Calendar Year 1985
Intermediary (thousands)	62,119
Percent of Total	
Inpatient Hospital	19.2
Outpatient Hospital	64.1
Home Health Agency	8.9
Skilled Nursing Facility	1.4
Other	6.4
Carrier (thousands)	279,559
Percent of Total	
Assigned	68.5
Unassigned	31.5

MEDICARE/REASONABLE CHARGE REDUCTIONS

	Assigned	Unassigned
Claims Approved		
Number (thousands)	176,954	77,968
Percent Reduced	81.6	84.5
Total Covered Charges		
Amount (millions)	\$22,007	\$10,059
Percent Reduced	27.4	25.9
Amount Reduced per Claim	\$ 34.07	\$ 33.37

(Calendar year 1985)

MEDICARE/APPEALS

	Part A Reconsiderations	Part B Reviews
Number Received	N/A	3,890,723
Number Processed	30,903	3,736,026
Percent Affirmed	82.2	38.0

(Fiscal year 1985)

Not available.

MEDICAID/ADMINISTRATION¹

	Fiscal Year	
	1984	1985 ²
	(in thousands)	
Total Payments Computable for Federal Funding	\$1,639,558	\$1,966,375
Federal Share of Current Expenditures:		
Family Planning	3,915	7,961
Design, Development or Installation of MMIS ³	14,502	26,097
Skilled Professional Medical Personnel	138,485	165,087
Operation of an Approved MMIS ³	275,383	304,406
Other Financial Participation	514,101	629,013
Mechanized Systems Not Approved Under MMIS ³	26,200	18,736
Total Administration	972,586	1,151,300
Net Adjusted Federal Share	⁴ 1,083,044	1,167,275

¹The effect of Section 2161 of the Omnibus Budget Reconciliation Act of 1981 is not included in this schedule.

²State estimates as submitted November 1985. Net adjusted Federal share includes cash-flow adjustments.

³Medicaid Management Information System.

⁴Includes Federal share of current expenditures plus State-reported and HCFA adjustments.

QUALITY CONTROL/MEDICARE PART B CARRIERS

	Average Carrier Error Rate		
	1977	1984	1985
Occurrence (Claims processing errors per 100 line items)	8.7	6.4	6.4
Assigned	8.3	5.7	5.7
Unassigned	9.2	7.4	7.7
Payment/Deductible (Dollar error per \$100 of submitted charges)			
Without Non-Review Penalty	1.9	1.8	1.8
Assigned	1.8	1.7	1.7
Unassigned	2.0	1.8	1.8

(Calendar year data)

QUALITY CONTROL/MEDICAID

	Eligibility National Average Error Rate ¹
Fiscal year	(percent of dollars)
1980	5.1
1981	3.8
1982	² 2.8
1983	² 2.8
1984	² 2.7

¹Excludes Supplemental Security Income determinations.

²The Tax Equity and Fiscal Responsibility Act of 1982 mandated the exclusion of certain errors from the Medicaid Quality Control System, thereby lowering error rates.

Reference

Selected reference material on cost-sharing features of the Medicare programs, program financing, administrative regions, and Medicaid Federal medical assistance percentages.



MEDICARE DEDUCTIBLE AND COINSURANCE AMOUNTS

Part A (effective date)	Amount
Inpatient hospital deductible (1/1/86)	\$492/benefit period
Regular coinsurance day (1/1/86)	\$123/day for 61st thru 90th day
Lifetime reserve day (1/1/86)	\$246/day (60 nonrenewable days)
SNF coinsurance day (1/1/86)	\$61.50/day for 21st thru 100th day
Blood deductible	first 3 pints/benefit period
Voluntary HI premium (1/1/86)	\$214/month
Limitation:	
Inpatient psychiatric hospital days	190 nonrenewable days
Part B (effective date)	Amount
Deductible (1/1/82)	\$75 in reasonable charges/year
Blood deductible	first 3 pints/calendar year
Coinsurance	20 percent of reasonable charges
Premium (1/1/85)	\$15.50/month
Limitations:	
Outpatient treatment for mental illness	\$250 maximum annual program payment
Licensed physical therapist's services in home or office (1/1/82)	\$400 maximum annual program payment

PROGRAM FINANCING

Medicare/Source of Income

Hospital Insurance (HI) Trust Fund:

1. Payroll taxes*
2. Transfers from railroad retirement account
3. General revenue for
 - a. uninsured persons
 - b. military wage credits
4. Premiums from voluntary enrollees
5. Interest on investments
6. Interfund loan repayment

* Contribution rate	<u>1985</u>	<u>1986</u>
	Percent	
Employees and employers, each	1.35	1.45
Self-employed	2.70	2.90

Calendar year 1986 maximum taxable amount: \$42,000

Supplementary Medical Insurance (SMI) Trust Fund:

1. Premiums paid by or on behalf of enrollees
2. General revenue
3. Interest on investments

Medicaid/Financing

1. Federal contributions (ranging from 50 to 78 percent)
2. State contributions (ranging from 22 to 50 percent)

**GEOGRAPHICAL JURISDICTIONS OF HCFA REGIONAL OFFICES
AND FEDERAL MEDICAL ASSISTANCE PERCENTAGES (FMAP)
FISCAL YEARS 1986-87**

I. Boston	FMAP	VI. Dallas	FMAP
Connecticut	50	Arkansas	74
Maine	69	Louisiana	64
Massachusetts	50	New Mexico	69
New Hampshire	55	Oklahoma	58
Rhode Island	56	Texas	54
Vermont	67		
II. New York		VII. Kansas City	
New Jersey	50	Iowa	59
New York	50	Kansas	50
Puerto Rico	50	Missouri	61
Virgin Islands	50	Nebraska	57
Canada	N/A		
III. Philadelphia		VIII. Denver	
Delaware	50	Colorado	50
Dis. of Columbia	50	Montana	66
Maryland	50	North Dakota	55
Pennsylvania	57	South Dakota	68
Virginia	53	Utah	73
West Virginia	72	Wyoming	50
IV. Atlanta		IX. San Francisco	
Alabama	72	Arizona	62
Florida	56	California	50
Georgia	66	Hawaii	51
Kentucky	70	Nevada	50
Mississippi	78	American Samoa	50
North Carolina	69	Guam	50
South Carolina	73	N. Mariana Islands	50
Tennessee	70	Mexico	N/A
V. Chicago		X. Seattle	
Illinois	50	Alaska	50
Indiana	63	Idaho	69
Michigan	57	Oregon	62
Minnesota	53	Washington	50
Ohio	58		
Wisconsin	58		







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